



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

**FOR IMMEDIATE RELEASE**

February 21, 2002

## STATEMENT OF TREASURER ANGELIDES ON STATUS OF ENERGY BONDS

**SACRAMENTO, CA** – California State Treasurer Philip Angelides issued the following statement today regarding the status of the Department of Water Resources (DWR) energy bonds:

“The California Public Utilities Commission’s (CPUC) adoption of a Rate Agreement with the DWR and approval of DWR’s Revenue Requirement are the first steps toward issuance of the energy bonds that will repay the State General Fund, and restore funding for critical services such as education, health care and public safety. As this office has previously indicated, a number of key actions must still be completed before the Treasurer’s Office can market and sell the bonds. They include:

- The CPUC must take final action if the Rate Agreement and/or the Revenue Requirement are the subject of an administrative appeal. The CPUC must also implement amendments to the previously adopted servicing agreements which provide for the utilities to collect, and forward to DWR, rate revenues to which the State is entitled.
- A nationally recognized law firm(s), on behalf of DWR and/or the CPUC, must issue legal opinions as to the validity of the financing structure proposed by the Rate Agreement and any court challenges must be satisfactorily resolved. These legal assurances must be in place for investors to purchase bonds and for rating agencies to issue investment grade ratings for these bonds.
- The bonds must receive investment grade ratings from the rating agencies, as required by state law. These ratings can be issued only after resolution of the legal matters cited above.

“This office can issue a schedule for bond issuance only after the CPUC has completed its required actions and all legal issues have been resolved.”

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